

# **I. INTRODUCTION**

## **A. Basic Components of a Travel Process**

In preparation for the reinvention effort, the Travel Lab focused on the basic steps in the travel process. The major components were: travel authorization, obligation/funds control, arrangement of travel services, preparation and administrative approval of the travel voucher and travel voucher audit, payment and reconciling.

### **1. Travel Authorization**

Program or mission requirements are analyzed, and a decision is made that travel is required to accomplish program needs. A traveler or the approving manager requests that an authorization for travel be prepared. Typically, formalized trip travel authorizations are prepared on a trip-by-trip basis for each authorized travel. The authorization may be approved by the traveler's supervisor, but additional approval levels could be required from higher officials who may not be physically located on site. Since all travel authorizations have estimated dates of departure and return, locations to be visited, and estimates of the cost of travel, travel planning is frequently initiated prior to the completion of the formal authorization preparation and approval process.

### **2. Obligation from the Travel Authorization/Control of Funds**

Obligation of funds or data entry of the travel authorization into an accounting system typically occurs immediately prior to the execution of the travel, or frequently at the time the travel expenditure is recorded. The value added by obligating travel may be negligible, particularly if the trip is completed within a short time frame.

### **3. Travel Arrangements**

The term “travel arrangements” includes all activities involved in developing a proposed itinerary and making the necessary reservations for hotels, airlines, car rentals, etc. While TMC's are frequently used for this purpose, many field locations report that a substantial amount of their travel (50 percent or more) is accomplished by using private or government furnished vehicles and in these instances reservations are not always known or arranged in advance and a TMC would generally not be used.

#### **4. Preparation of the Travel Voucher and Administrative Approval**

The current travel regulations require that the travel voucher be signed by the traveler and the traveler's supervisor. The traveler assumes the basic responsibility for collecting receipts during travel and making them available for the expense documentation. Depending upon the type and amount of automation that is being used in a particular office, the traveler will either manually prepare the travel voucher claim or rely on software and/or administrative staff to prepare the travel voucher. The completed travel voucher is then submitted by the traveler to the supervisory approving official, and additional higher level approving officials where required.

#### **5. Auditing, Paying and Reconciling the Travel Voucher**

The payment process begins when the traveler's approved voucher has been received by the bureau's financial processing unit. The travel payment process includes voucher auditing on a sampling basis, in most bureaus within the Department. Treasury disbursements (both Treasury check and electronic fund transfer) are only made after the travel voucher claims have been entered into the accounting systems. The accounting systems automatically generate the disbursement tapes for transmitting the request for payment to Treasury, within days of being data-entered. When a voucher fails to contain valid cost accounting information, delays in payment processing generally result. Travelers who have not requested that their reimbursement be paid via electronic fund transfer, directly to their personal bank account, will receive a mailed Treasury check, which adds several days to the payment process.

In a few instances within the Department, travel claims are paid directly to the travelers by either Third Party Drafts or cash through the imprest funds. These claims are also entered into the accounting systems, however, they do not require schedules for disbursement.

#### **B. Shortcomings in Existing Travel Processes**

It is important to note that the Department does not have a **single** travel process. Each bureau/office developed its own travel process over the years. Moreover, a number of bureaus have allowed programs and other subdivisions of bureaus to customize their travel process, so that different travel processes may exist within a bureau/office.

The various processes change independently from time to time to comply with changes in bureau or office interpretations of the Federal Travel Regulations (FTR) and associated decisions by the Comptroller General. Changes in staffing or funding levels have also triggered changes in travel processes. The major steps in existing travel process are summarized in Figure I-1.

## Steps in the Existing Travel Process

<u>A. Travel Authorization, Obligation, Fund Control Process</u>	<u>B. Travel Planning Reservation (TMC)</u>	<u>C. Trip</u>	<u>D. Travel Voucher Preparation &amp; Approvals</u>	<u>E. Payment &amp; Auditing Travel Vouchers</u>	<u>F. Recording &amp; Payment Charged to AMEX</u>	<u>G. Traveler Payments To AMEX</u>
Determine Need for Trip	Traveler Prepares Proposed Preferences	Traveler Obtains Advance	Traveler Drafts Travel Expense Documentation	Travel Voucher Statistically Audited	AMEX Sends Bills to Bureau Offices	Traveler receives AMEX statement
Traveler/ Manager Requests Authorization	TMC Reservations Made	Travel and retains Receipts	Travel Voucher is prepared	Travel Voucher Certified and Sent to Treasury	Finance and Program Offices Reconciles with TMC issued Tickets	Traveler Reviews Bill for Accuracy
Type Authorization & Approve Each Trip	Ticketets Received from TMC	Return to Office	Travel Voucher and Attachments Submitted for Approval	Travel Expenses Recorded in Accounting Systems	Record Ticket Disbursement into Accounting System	Traveler sends Payment
Obtain Management Approval				Schedule Electronically Transmitted to Treasury	Certify and Schedule Payment	
Copies for Traveler, Finance and Others				Treasury Pays Traveler		
				Treasury payment data recorded in Accounting Systems		

Figure I - 1

Many of the processes and procedures in place have not been re-evaluated from the standpoint of mission requirements, customer service, or cost effectiveness. As a result, the existing processes have been driven by regulatory considerations and many are decades old. The travel processes frequently:

- Lack an identifiable “owner”
- Reflect little or no confidence in the ability, honesty and/or integrity of travelers or approving officials
- Are not based on a simple, or coherent travel policy
- Are not customer or program driven
- Are primarily manual, paper driven, rather than electronic and paper less
- Require manual routing and approvals, rather than electronic
- Require duplicate and repetitive keying-in of the same data
- Are not electronically interfaced to the accounting systems
- Include excessive approval and review steps that are not cost effective
- Focus on manual pre-payment audits, rather than electronic audits
- Result in delayed payments to employees
- Foster the development and maintenance of multiple, costly agreements with many TMC's which do not provide consistency in service

The regulatory nature of the federal travel process has, over the years, contributed substantially to the complexity and administrative costs of carrying out the travel process. In an age of diminishing resources, travel must necessarily be viewed as a mission enabler, that is, a resource to be used in accomplishing program missions. Thus, the Travel Lab recognized, at a very early stage, that changing the culture surrounding the travel process would be one of the first, and perhaps the most daunting task in changing the process.

### **C. Average Cost of Administering Federal Travel Processes**

The costs of the administrative infrastructures which have been created to carry out the travel process within the Federal Government are not precisely known but are believed to be substantial. The General Accounting Office (GAO) has estimated that the administrative costs associated with DOD travel were approximately 30 percent of total direct travel cost. By comparison, the average administrative costs in the private sector were estimated to be in the 10 percent range, and industry leaders are believed to be in the 6 percent range. The Joint Financial Management Improvement Program (JFMIP) estimated that the average cost of administering a temporary duty trip (TDY) within the Federal Government totals approximately \$98 per trip ( \$129 when agency-issued travel advances are provided).

In order to estimate the components of the Department’s administrative travel costs we collected information from 5,196 employees who responded to the customer survey. As noted in Figure I-2 we estimate the Department’s administrative costs are \$95 per TDY trip.

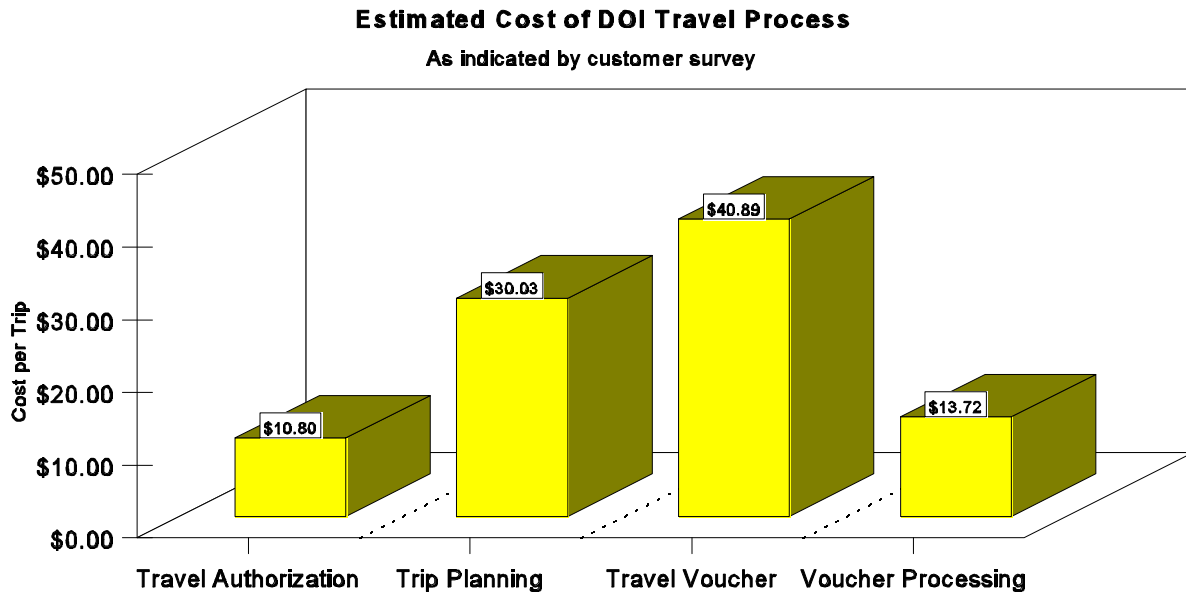


Figure I - 2

Travel authorization costs of \$10.80 include estimated direct typing and “hand carrying” the authorization request through the approval process. Trip planning costs of \$30.03 include contacting the TMC for advanced information (\$10.58), making reservations (\$9.86), and picking up tickets (\$9.59). Travel Voucher costs of \$40.89 include gathering receipts (\$9.21), preparing the voucher (\$11.74), obtaining necessary approval signatures (\$8.19), collecting reimbursement (\$6.74), and paying the individual travel charge card bill (\$5.01). Voucher Processing costs of \$13.72 include finance office payment examination (\$7.65) and reimbursing the traveler (\$6.07).

Thus, the Department’s estimated cost of \$95 per trip correlates closely with JFMIP Government wide estimates. The regulatory framework surrounding the federal travel process (which has seldom been challenged) contributes substantially to the total administrative workload, and resulting administrative and indirect costs associated with the existing travel process.

In assessing factors contributing to the large differences between private and public sector firms, GAO identified the following:

- Using numerous processing centers
- Requiring multiple travel documents
- Manual preparation of travel documentation
- No automated interface with the financial system

In approaching its reinvention tasks, the Travel Lab focused on the three costliest elements of the travel process (travel authorizations, travel voucher preparation, and travel advance issuance and collection) which collectively account for \$98 of the \$129 JFMIP estimated cost which are illustrated in Figure I - 3. The recommendations for reducing costs associated with these major functions are presented in Chapter II.

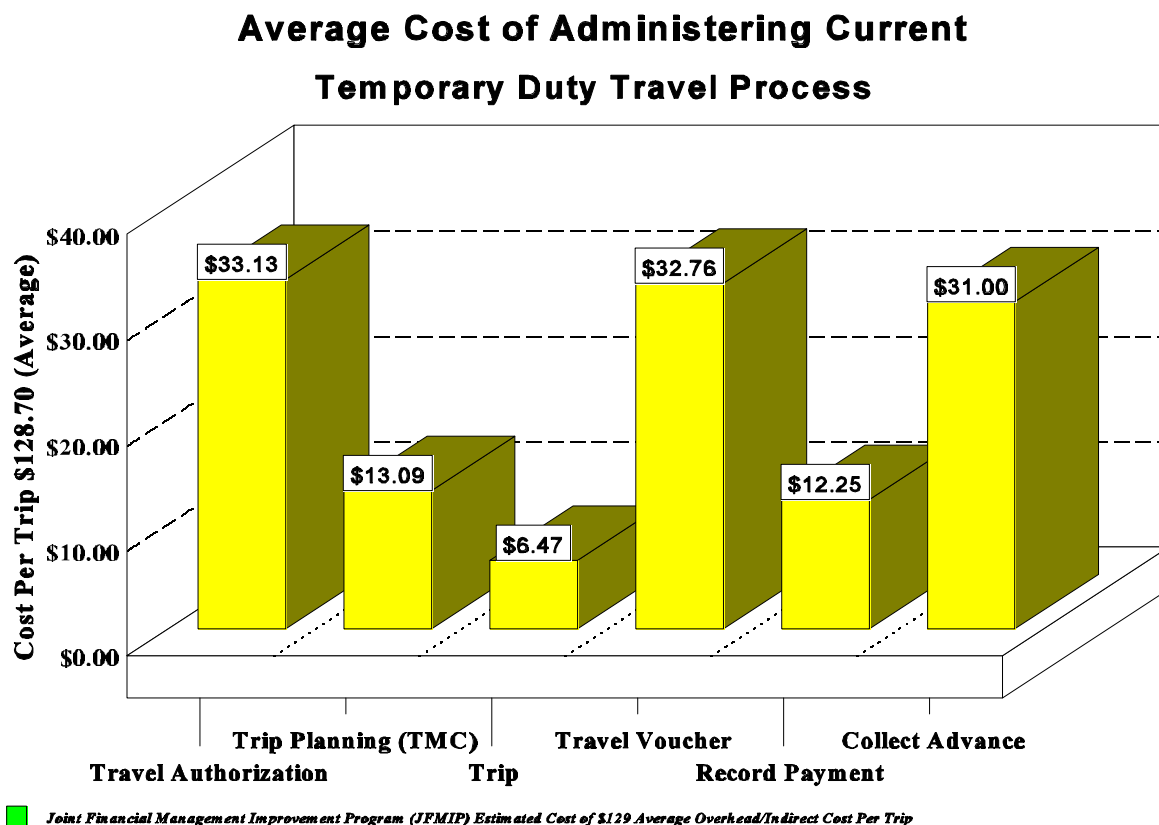


Figure I - 3

#### D. Department of the Interior Travel Survey

The Travel Lab conducted a travel customer survey in each of the Department's bureaus and offices in order to: (1) obtain a profile of Department of the Interior travelers; (2) estimate the amount of administrative time expended per trip; (3) estimate total travel cycle time; (4) identify the segments of existing travel processes which work well; and (5) obtain suggestions from the Department's travelers on areas requiring improvement. The customer survey was conducted in March 1996 and was distributed electronically by all bureaus/offices.

It should be noted that, because travel impacts such a large segment of the Department's employees, and because travel plays a critical role in the Department's ability to fulfill its mission, 5,196 departmental employees chose to respond to the lengthy, 26 question survey form.

## 1. Profile of the Department's Travelers

The purpose of this section was to obtain general information about the Department's existing travel customers.

### a. Extent of Travel

Employees who responded to the survey tended to be frequent travelers. About 89 percent of the respondents stated that they had taken one or more temporary duty (TDY) trips during fiscal year 1995; about 66 percent of the respondents who had traveled during fiscal year 1995 indicated that they had taken four or more trips during that time (Figure I - 4). It is also noteworthy that approximately 19 percent of the travelers took 11 or more trips during fiscal year 1995.

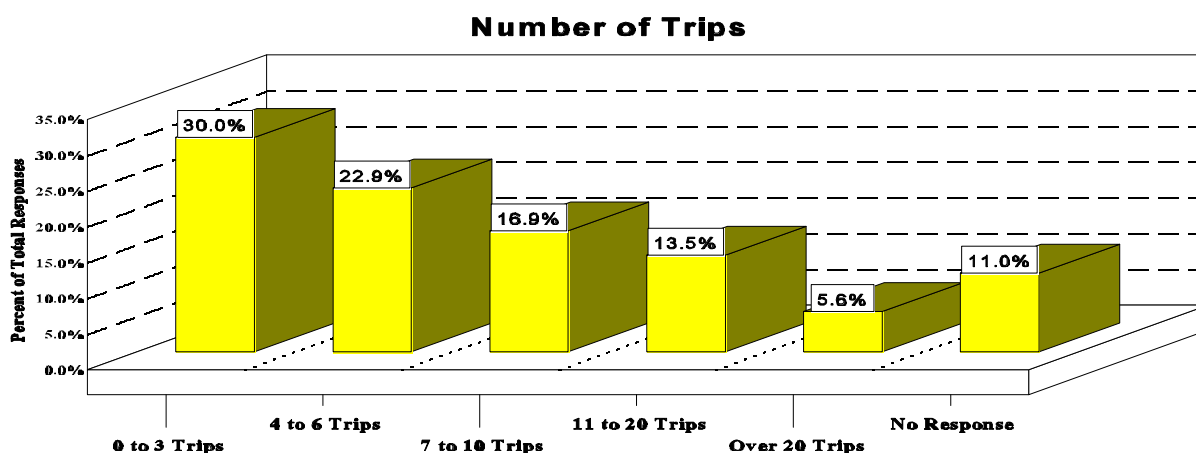


Figure I - 4

### b. Use of Individual Government-sponsored Travel Charge Card

We found that use of an individual Government-sponsored travel charge card could be expanded. About 83 percent of the respondents stated that they had been issued a individual Government-sponsored travel charge card (Figure I - 5) but only 59 percent of these card holders have automated teller machine (ATM) privileges.

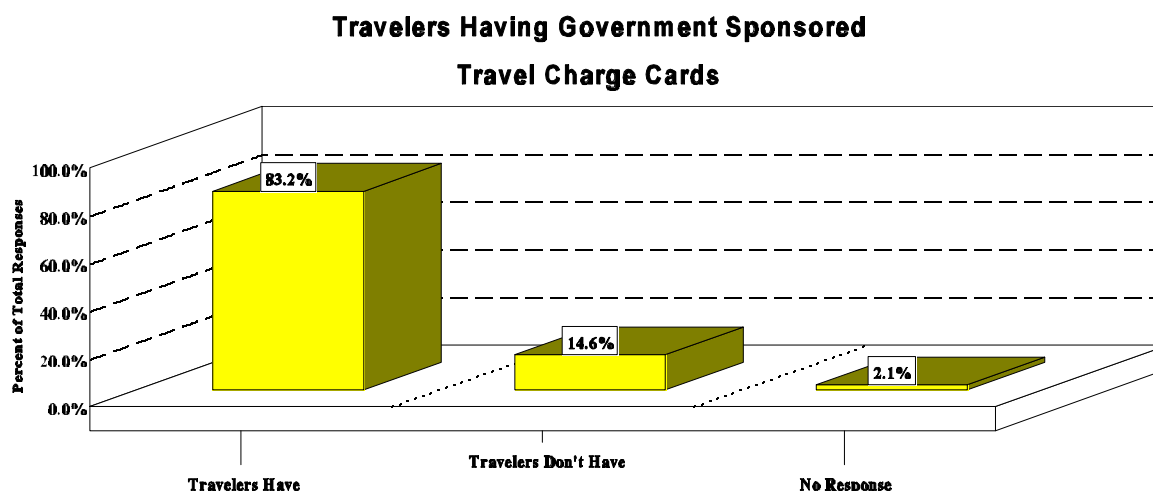


Figure I - 5

The respondents stated that **37 percent used cards other than the Government-sponsored Travel Charge Card for charging official travel related expenses during fiscal year 1995.** In addition, we learned that the 37 percent who used other credit cards **seldom** used their individual Government-sponsored travel charge card. Approximately 73 percent (of the 37 percent) either did not respond to the question or indicated they do not use the individual Government-sponsored travel charge card. Of those travelers who have been issued the individual Government-sponsored Travel Charge Card, 85 percent (of the 37 percent) either did not respond to the question or indicated they use the individual Government-sponsored Travel Charge Card for all travel charges. Because the Government receives a 0.65 percent rebate from the credit card company on each dollar charged and because not all travelers have cards or are using them if they have one, **the Department's bureaus and offices are losing a sizable amount of potential rebates.** In addition, because only about half of all cardholders stated that they were aware they had ATM privileges, many travelers are forced to obtain agency issued travel advances through many means (e.g., imprest funds, third party draft and Treasury check) which are sometimes inconvenient for the traveler and expensive to maintain for the Department.

### c. Grade Levels of Respondents

In order to estimate the costs associated with the current process, we asked employees to indicate their grade level. About 2 percent of the employees were wage grade employees (most of these employees were WGS 4-7). About 94 percent of the respondents were General Schedule employees (14 percent of respondents were GS 7 and below, about 53 percent were GS 8 to 12, and about 27 percent were GS 13 to 15). About 1 percent of the employees were members of the Senior Executive Service and 3 percent did not respond to the question. Because travel customers tended to be higher salaried employees (the average salary for all respondents was approximately \$37,200 or \$18 per hour), **reductions in time currently devoted to the administration of travel would tend to benefit the Department in cost saving/avoidance and would increase the time available for employees to spend on the core mission of the Department.**



## 2. Actual Time Involved in the Travel Process

The object of these questions was to obtain an estimate of the actual time it takes to perform certain travel related functions (does not include time for mailing, waiting for someone to begin, waiting for documents in in-boxes to be read etc.) and to determine whether the traveler or someone else performed these steps.

### a. Actual Time Required to Type and Approve Each Trip Authorization

Time required to type and hand carry a trip authorization through the approval process varied significantly from bureau to bureau. About 19 percent of the respondents stated that this function was performed by the traveler and about 68 percent stated that it was performed by another person. About 13 percent did not state whether the traveler or someone else performs this function. Approximately 31 percent indicated that it took 30 minutes or less; 13 percent indicated that it took between 30 minutes to 2 hours; about 7 percent stated that it took from 2 hours to a day; and 28 percent stated that it took a matter of days to type/approve travel authorizations. About 22 percent did not respond to this question (Figure I - 6). Many of the respondents complained that there were far too many reviews of travel authorizations, too often they need to be mailed to an official at another location, and some travelers suggested that trip by trip authorizations should be eliminated altogether.

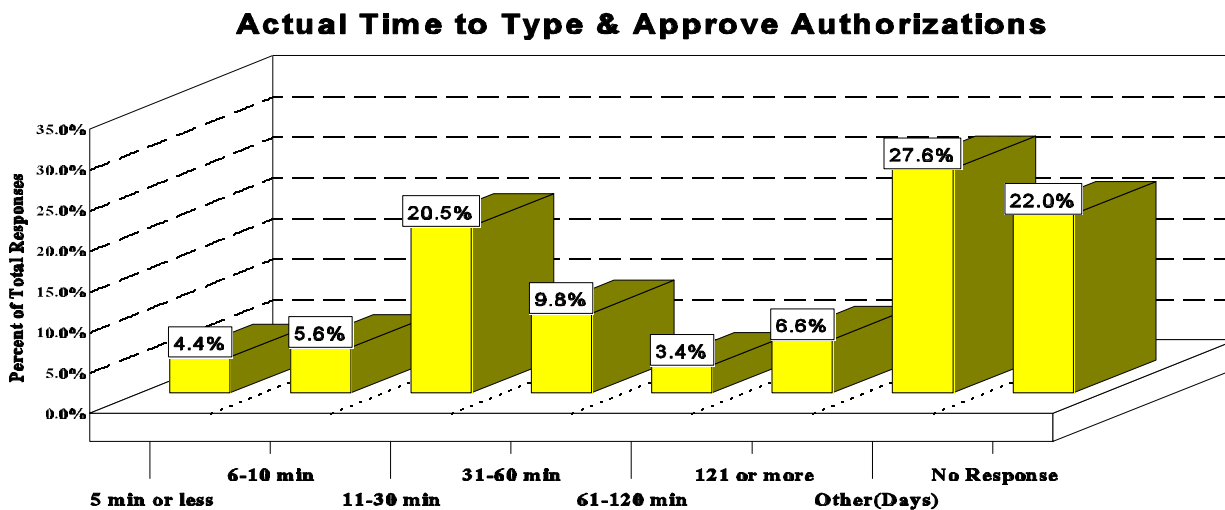


Figure I - 6

### b. Actual Time Required to Contact the Contract Travel Management Center(TMC) to Obtain Flight, Hotel, Car Rental and Other Information

It appeared that it frequently took an excessive amount of time to obtain pre-reservation travel information when this extra step is required. In searching for information, prior to contacting the TMC for reservations, 34 percent of the respondents stated that they contact the travel agency and

about 54 percent stated that it was done by someone else. About 12 percent did not state whether the traveler or someone else performs this function and many stated that this was not how it is done. Many contact the TMC one time only to make reservations. About 43 percent of the respondents stated that it took 30 minutes or less to gather the needed information. However, about 15 percent stated that it took 31 minutes to 2 hours; 6 percent stated that it took from 2 hours to a full day; and 16 percent stated it took a matter of days to obtain pre-reservation information. About 19 percent did not respond to this part of the question. In addition, because the Department deals with many different travel agencies, quality of service varied widely. In response to Question 25 (what parts of the travel process work well) some of the travelers praised their TMC; however, in response to Question 26 (what parts of the travel process could be improved) some of the travelers complained that service was poor and that because of poor service or inability of the TMC to obtain the best rates they preferred not to use a TMC.

**c. Actual Time Required to Make the Travel Reservation**

Similar to the responses about obtaining information, it appeared that the amount of time required to actually make reservations should be shortened. About 41 percent of the respondents stated that they make their own travel reservations and 51 percent stated that it was done by someone else. About 8 percent did not state whether the traveler or someone else performs this function. Approximately 49 percent of the respondents stated it took 30 minutes or less to obtain reservations for a trip. However, 13 percent stated that it took from 31 minutes to 2 hours; about 6 percent stated that it took from 2 hours to a day and about 15 percent stated that it took a matter of days to make travel reservations; and 17 percent did not respond to this part of the question. Some respondents stated that they refused to use TMCs to make travel reservations because it took too long. Time frame for response for this important service from a TMC should be a mandatory requirement of any contract.

**d. Actual Time Required to Pick Up Tickets**

The time required to pick up tickets could be shortened or eliminated by contract requirements which state the travel agent (TMC) perform the delivery service. About 22 percent of the respondents stated that they picked up their own tickets and 61 percent stated that it was done by someone else. Approximately 17 percent did not indicate who performs this function; 21 percent of the respondents stated it took 30 minutes or less pick up or have tickets delivered; another 3 percent stated it took from 31 minutes to 2 hours; 5 percent stated that it took from 2 hours to a full day; while 36 percent stated that it took a matter of days. About 35 percent did not respond to this part of the question. Better ticket delivery service was cited by the respondents as one of the areas needing improvement. We suggest that a requirement be included in the proposed travel management center contracts for delivery to all department locations within 2 days prior to departure and the ability to provide expedited, emergency delivery service when necessary.

**e. Actual Time to Gather Receipts Necessary to Prepare Travel Voucher**

The percent of respondents who stated that they gather the necessary receipts for preparation of the voucher themselves was 77 percent, and 14 percent stated that it was done by someone else. About 9 percent did not state whether the traveler or someone else perform this function. About 56 percent stated it usually took 30 minutes or less; 9 percent stated it took from 31 minutes to 2 hours; another 5 percent stated that it took from 2 hours to a day; and 10 percent said it took a matter of days to gather the receipts necessary to prepare travel vouchers. Approximately 20 percent did not respond to this part of the question. Although the time required appeared to be reasonable under the current system, the increase in the receipt requirement, for certain expenses, to \$75 as well as other proposals to limit the requirements for submission of paper receipts should help streamline the process. Some respondents suggested that the Government pay directly items charged on the individual Government-sponsored Travel Charge Card.

**f. Actual Time to Prepare the Travel Voucher**

There were many complaints about how unnecessarily burdensome this part of the travel process is and that this area should be fully automated. About 45 percent of the respondents stated that they prepare their own travel voucher and 47 percent stated that it was performed by someone else. About 8 percent did not state whether the traveler or someone else performs this function. Forty four percent of the respondents stated it usually took 30 minutes or less to prepare the travel voucher; about 24 percent stated it took from 31 minutes to 2 hours; 5 percent stated from 2 hours to a day; and 14 percent stated it took a matter of days to prepare the travel vouchers. About 13 percent did not respond to this part of the question (Figure I - 7).

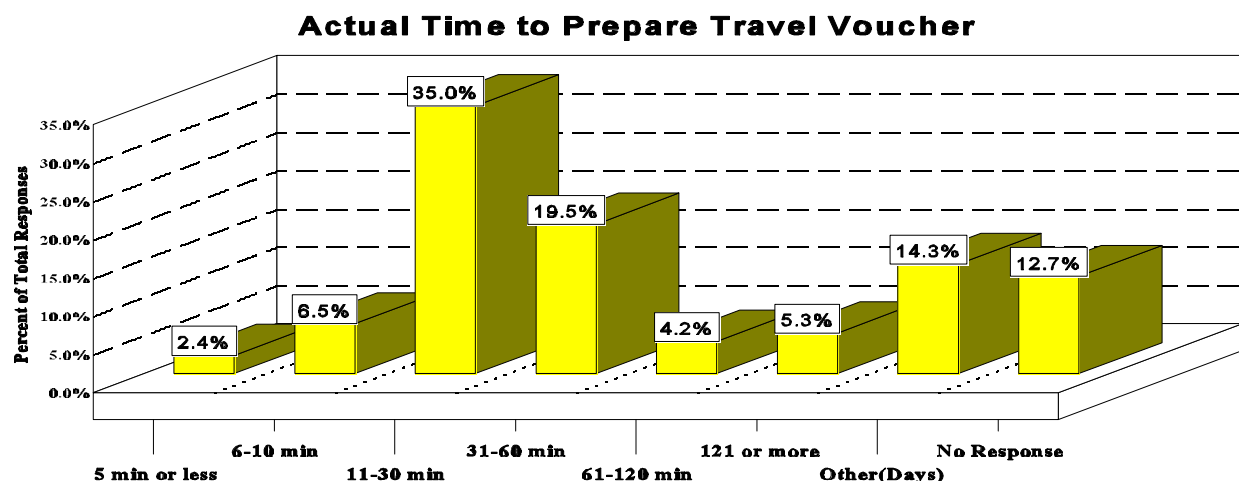


Figure I - 7

**g. Actual Time to Obtain Necessary Administrative Approvals before Submission of Travel Voucher for Payment**

About 24 percent of the respondents stated that they personally obtain the administrative approval before the travel voucher is submitted for payment, and 61 percent stated this function was performed by someone else. About 15 percent did not state who performed this function. Approximately 43 percent stated it usually took less than 30 minutes to obtain this approval; about 8 percent took from 31 minutes to 2 hours; 6 percent took from 2 hours to a day. However, about 23 percent stated that it took a matter of days to obtain travel voucher approvals. About 19 percent did not respond to this part of the question. The respondents stated that the principal cause of delays in getting vouchers approved for submission appears to be the requirement in some offices for multiple signatures or having the approving official in a separate location from the traveler. In the eyes of the travelers, there was little justification for this requirement (Figure I - 8).

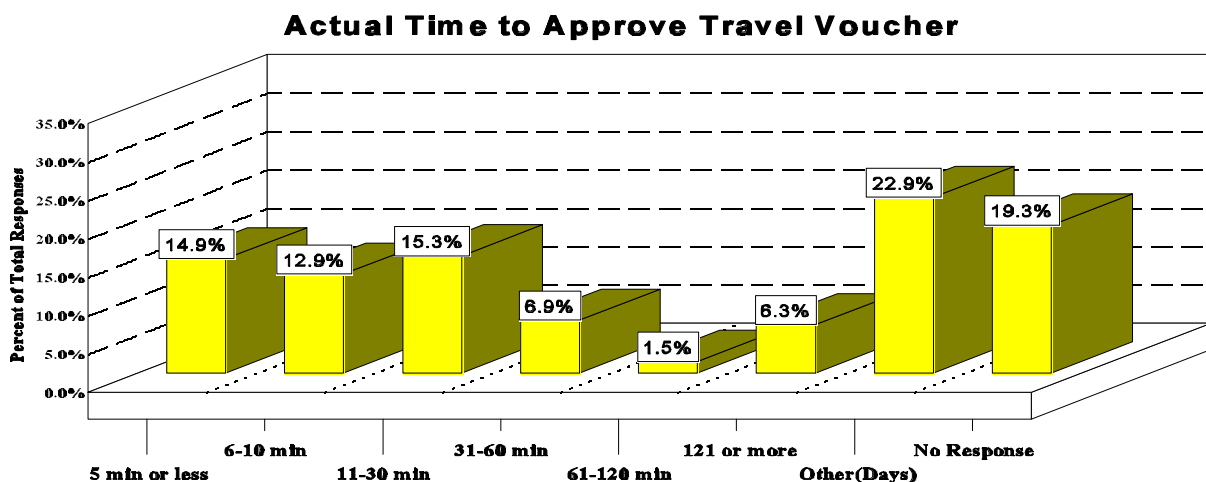


Figure I - 8

**h. Actual Time to Collect the Reimbursement for Approved Travel Vouchers**

About 28 percent of the respondents stated that they collect the reimbursement themselves and about 38 percent have someone else perform this function. About 34 percent did not state who performed this function. Only 25 percent of the respondents stated that it usually took less than 30 minutes for them to receive payment of their travel voucher claims; about 3 percent stated that it took from 31 minutes to 2 hours; another 2 percent stated that it took more than 2 hours to one day; and 27 percent of the travelers indicated that it took a matter of days to collect the reimbursement for travel. About 43 percent did not respond to this part of the question. Some of the respondents suggested that this processes could be or has been shortened by days simply by allowing the use of electronic fund transfers instead of treasury check issuance and mailing by Treasury. In addition, most expected and currently receive notice from their bureau finance office notifying them that payment has been made and the date that Treasury received the request to transfer funds via E-mail.

**i. Actual Time Spent in Making Payment on Individual Government-sponsored Travel Charge Card Company Invoices**

Most responses indicated that this was not a problem area. Approximately 53 percent stated that it took them 30 minutes or less to pay the credit card company for their travel charges; about 3 percent stated that it took 31 minutes to 2 hours; 1 percent stated from 2 hours to one day and 14 percent stated that it took days. About 29 percent did not respond to the question.

**3. Elapsed Time Information for Approval and Other Processes**

In this section we attempted to collect information about the administrative process and how it really works in comparison to how long it actually takes to perform a specific function. Total elapsed time includes waiting and mailing time required to prepare documents and obtain necessary approvals. The time estimates in the elapsed time section provided a basis for the Travel Lab to estimate the current average overall travel cycle time within the Department.

**a. Elapsed Time to Obtain Necessary Approvals for Travel Authorizations**

The elapsed time necessary to obtain required approvals for Temporary Duty Travel authorizations appeared to be excessive. Only 9 percent of the respondents indicated that they could obtain approval of their travel authorization in less than one day. Approximately 50 percent indicated they could obtain approval in one or 2 days, while 27 percent stated that it usually took over three days (and in some cases over than 3 weeks) to obtain the necessary approval of an authorization prior to travel (Figure I - 9). Employees indicated in their responses to question 26 (suggestions for improvement) that there were frequently too many layers of approval (up to 4), and that trip by trip authorizations should be discontinued.

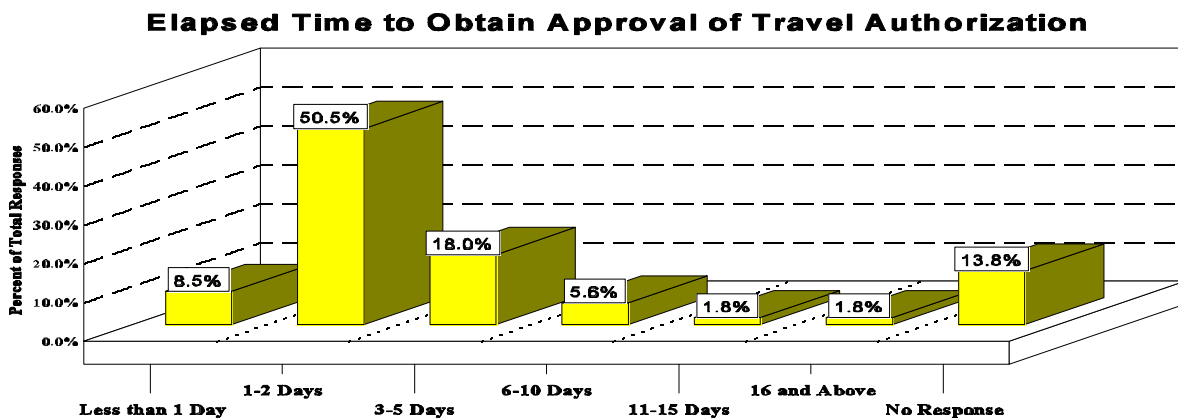


Figure I - 9

**b. Elapsed Time Necessary to Obtain a Cash Travel Advance**

The time required to obtain a cash advance also appeared to be excessive. Only about 8 percent of the respondents obtained a cash travel advance in less than one day; about 25 percent obtain their advance in one or two days; and 9 percent take three to 10 days; while 3 percent of the respondents indicated it took them over 11 days on average, in some cases longer than 3 weeks, to obtain an advance. About 30 percent of the respondents stated that they do not use travel advances and about 24 percent did not respond to the question (Figure I - 10). In the suggestion section of the survey, many of the respondents experienced difficulties in obtaining a cash travel advance and suggested that ATM privileges be expanded to all bureau individual Government-sponsored travel charge card holders. Expanded use of the individually issued Government-sponsored Travel Charge Card's ATM privileges would make obtaining advances easier and eliminate delays.

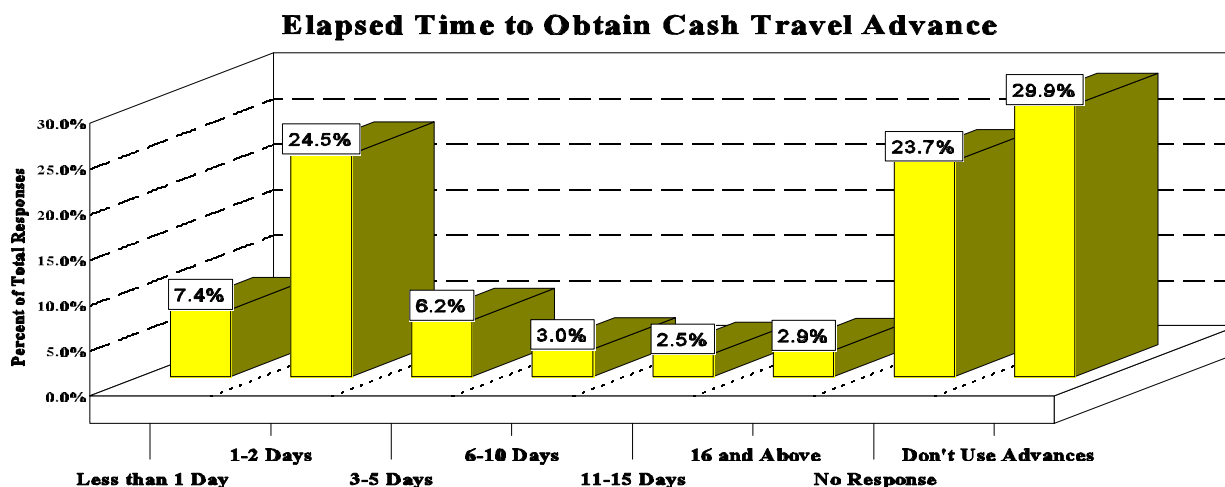


Figure I - 10

**c. Elapsed Time after Travel Ends before the Travel Voucher Is Prepared**

Most of the travelers prepared vouchers within the required 5 day time frame. About 3 percent of respondents indicated that they usually completed their travel voucher in less than one day after returning from their trip. A majority of travelers, 57 percent, completed vouchers within 1 or 2 days, 24 percent completed their vouchers within 3 to 5 days. About 7 percent took 6 days or more and about 9 percent did not respond to this question (Figure I - 11). In the suggestion section of the survey many of the respondent suggested that increased use of electronic voucher preparation or having the government directly billed for Travel Charge Card charge amounts would greatly speed up preparation of travel vouchers.

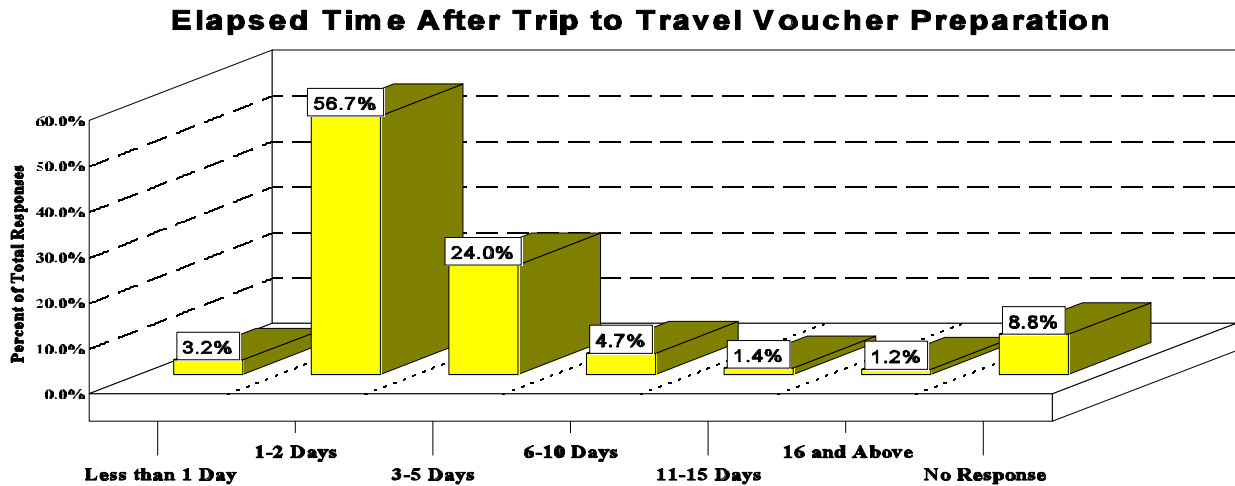


Figure I - 11

**d. Elapsed Time to Obtain Administrative Approval of Travel Voucher (Prior to Submission for Payment)**

The time needed to obtain approval of travel vouchers before they are submitted for payment should be shortened. Only about 8 percent of the respondents indicated that it usually took less than one day to get their completed travel vouchers approved. About 59 percent stated that it usually took one or two days and 15 percent said three to five days. About 7 percent of the respondents stated that it took 6 days or more. About 11 percent did not respond to this question. In the suggestion section of the survey many employees questioned whether approvals above the level of their immediate supervisor added any value to the process because only the supervisor usually has enough detailed knowledge about the trip and that approvals should be at the lowest possible level (Figure I - 12).

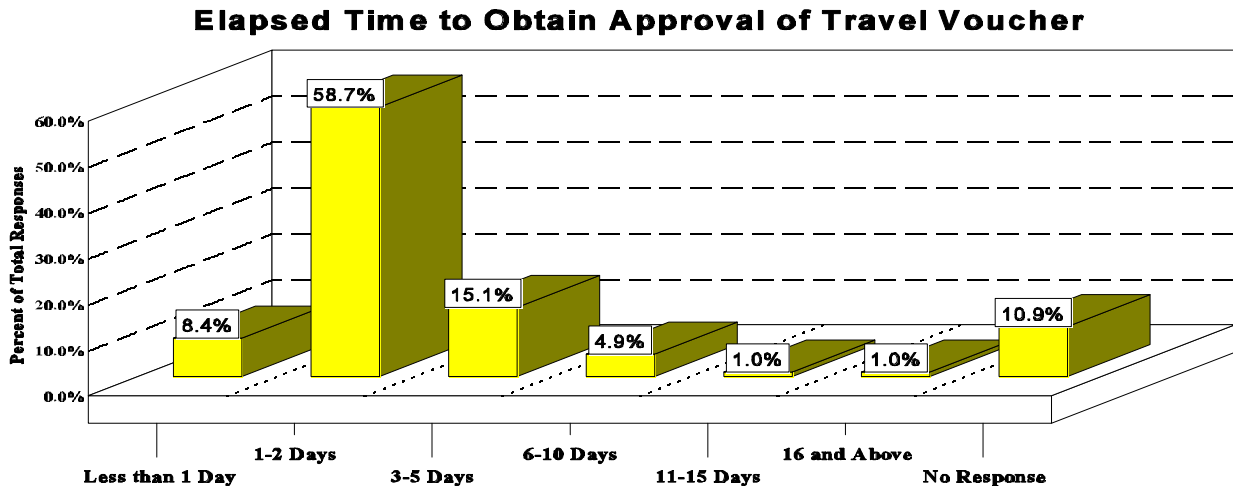


Figure I - 12

#### e. Elapsed Time Required to Receive Reimbursement

The most frequent and vocal complaint about the travel process related to the length of time it takes to receive a travel reimbursement for an approved travel voucher. Only 13 percent of the respondents usually received reimbursement for travel expenses within 3 days or less after submitting a travel voucher; about 43 percent actually receive payment within 4 to 21 days; however, **30 percent of travelers reported that they had to wait from 22 to 31 days or more before receiving their travel reimbursement.** The Travel Lab recognizes that delays in payment of this magnitude may cause travelers to reach delinquency status on their Travel Charge Card; a situation which obviously should be avoided (Figure I - 13).

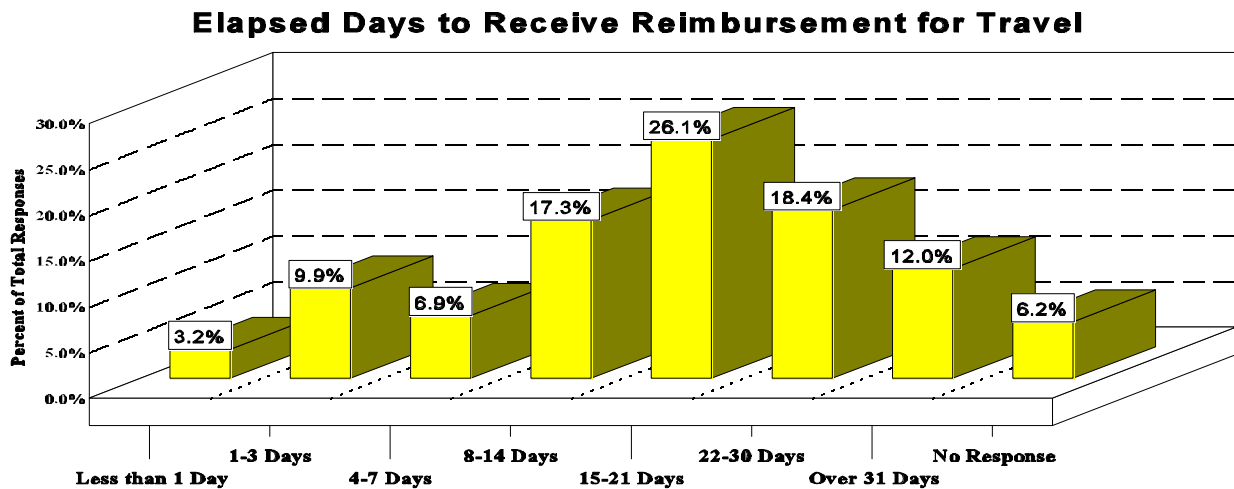


Figure I - 13

### 4. Travel Reimbursement Time and Procedures

#### a. Methods of Obtaining Reimbursement

The survey responses indicated that about 64 percent receive a treasury check mailed to their home or office in payment for travel expenses; about 9 percent are paid by an electronic funds transfer from Treasury to their specified bank account; another 7 percent are still paid in cash from an imprest fund; and 15 percent take their approved travel voucher to a third party draft fund cashier for payment. About 5 percent did not respond to the question (Figure I - 14). There were many respondents who suggested that reimbursement by electronic funds transfer should be widely available or mandatory. Some respondents expressed frustration with the slowness of mailing a treasury check for payment of travel voucher claims and several suggested other improvements which could be made.



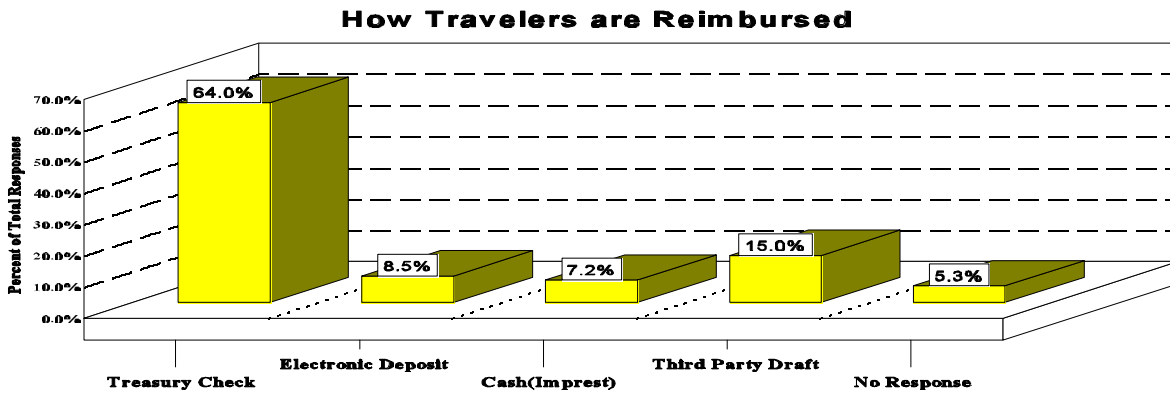


Figure I - 14

### b. Method of Preparing a Travel Voucher

This was one of the areas where respondents felt the Department was far behind other government organizations as well as private industry. About 46 percent of the respondents stated that they manually prepared travel vouchers; about 34 percent stated that they used an automated software package; 8 percent used an electronic forms package; about 2 percent use a combination of manual and automated software package; and about 1 percent used some other method. About 9 percent did not respond to the question. It should be noted that only a very alarming few of the 34 percent of responses indicating the use of an automated software actually proceed with a totally electronic process. Acquiring automated software was frequently suggested by the respondents as a way to improve the timeliness of voucher processing. If the goal of a common, integrated travel system is to be achieved, with features such as the minimization of the keying in of data and interfacing the data with accounting systems, the result would be of major benefit to travelers and would greatly reduce the time and effort now required to process travel vouchers (Figure I - 15).

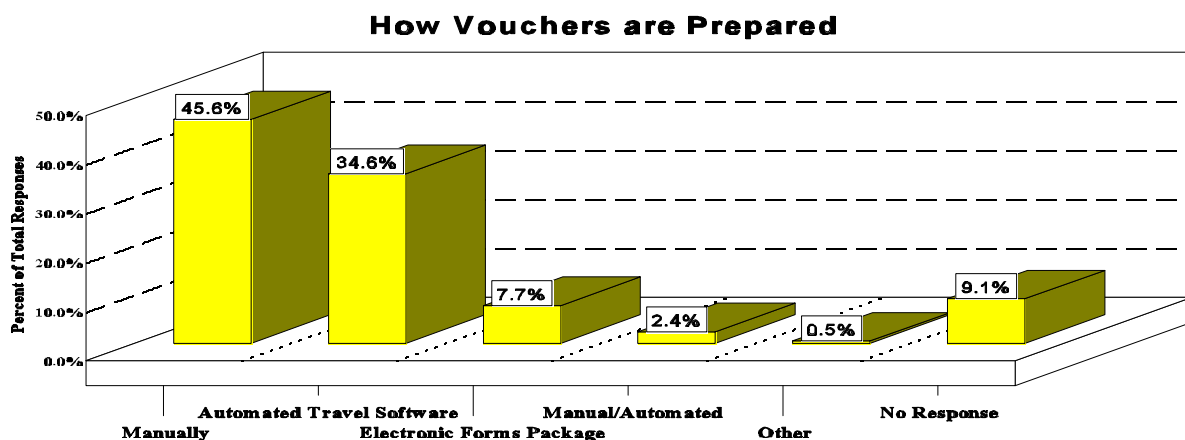


Figure I - 15

## **E. General Comments on the Travel Process**

We asked respondents to comment on the successes and failures of the current travel system and to provide suggestions for improvements. The comments covered every aspect of the current system from travel authorization to reimbursement and ranged from “all works well” to “nothing works well”. All comments and suggestions were considered by the Travel Lab and included, where possible in our report. However, certain comments/suggestions occurred with such frequency that a special emphasis was made to ensure that recommendations were made to correct the problems or to ensure that successful aspects of the current system are retained.

### **1. Current System Successes**

We asked respondents to identify the parts of the present travel process that they considered worked well. In general, and **not** in any order of priority, the responses included:

- Use of the individual Government-sponsored Travel Charge Card for expenses and for travel advances
- Automation of travel voucher preparation
- Imprest fund/third party draft for travel reimbursement
- Approval process being delegated to the lowest level of supervision
- Limited open authorizations in lieu of trip-by-trip authorizations
- Airline ticket delivery to office or pickup at a nearby location
- TMC reservation process and charging of airline tickets to a corporate account
- Electronic funds transfer and direct deposit to a checking account
- Travel functions performed locally work well

### **2. Current System Failures**

We asked respondents to identify the parts of the present travel process that they considered could be improved and solicited their suggestions for improvement. In general, and **not** in any particular order of priority, the responses included:

- Use of the individually issued Government-sponsored Travel Charge Card because the service is poor and it is not accepted in many places
- The whole process should be automated
- Need for more user friendly software
- Implement EFT reimbursements
- Shorten the audit process, time required to review and approve disbursements; use post payment audits
- Reduce the number of reviews of travel vouchers
- Shorten the approval process for travel involving conventions/conferences/training.
- Delegate approval of travel vouchers to the lowest level; allow traveler to manage

- travel budget and authorize travel
- Use Training Form (SF 182) as the travel authorization
- Eliminate trip authorizations
- Need to raise per diem rates
- Pay flat per diem rate
- Allow travel to purchase non contract airfare if substantially lower cost
- Poor service by TMC; require TMC to use best rate available
- Higher graded personnel waste time filling out forms, tracking down signatures
- Travel advances should be easier to obtain; takes too long to get advance unless can use ATM; more ATM's are needed; notify employee of EFT payment made
- More use of third-party drafts
- Treasury reimbursements take too long
- Include reimbursements in paychecks
- Make use of phone cards mandatory
- Treat people as though they are honest
- Use the Internet for travel arrangements
- Direct payments to vendors for lodging, meals and rental cars
- Eliminate receipt retention
- Need for better ticket delivery services
- Use electronic signatures
- Simplify approval for travel to Canada and Mexico

Responses seemed contradictory on some of the issues such as whether charge card services were adequate and whether the TMC was responsive. We concluded that this indicated that the quality of service being received from the TMC varied substantially -- from very good to very poor -- and that a higher level of consistency was required to ensure that traveler needs were met.

## **F. Survey Conclusion**

The survey identified many opportunities for improvements and suggestions for making them. We found that some aspects of the travel processes, especially as compared to the industry best business practices, were woefully inadequate and appeared, to the respondents, to be based on insulting assumptions about employees' honesty, competence, or commitment to the various missions of the Department. Examples included the time and number of approvals required for travel authorizations (up to three weeks for some of the respondents and as many as 4 approvals) and submission of travel vouchers and the steps and time required by finance offices to review and process the payment of the travel voucher claims.

Some of the current deficiencies, appeared to the respondents, to be based on the failure of the Department to take advantage of changes in technology that would make parts of the process more efficient, save time and money and provide better service to the traveler. Examples included the lack of consistent issuance of individual Government-sponsored Travel Charge Cards; lack of wide-spread use of ATM privileges; and the lack of electronic travel voucher preparation and approval capabilities.

Other problems with the current system appeared to be based on the failure of some GSA contracted travel management Centers (TMC's) to consistently provide timely, quality service to department travelers at competitive rates. There were instances of excessive elapsed time when TMCs were contacted to obtain flight, hotel, and car rental information and reservations and failure to obtain the lowest available cost. Finally, some of the problems with the current system appear to be based on the failure of the Department to establish and enforce guidelines for certain parts of the travel process which have resulted in the loss of a significant amount of revenue to the Government. Examples included the lack of a requirement for mandatory use of individually issued Government-sponsored Travel Charge Cards for official travel, and the failure to discipline egregiously delinquent card holders.

The survey respondents' suggestions for improvements in many of these areas are reflected in our recommendations to departmental officials. Some suggestions, especially relating to "culture change" can not be legislatively mandated or dictated by the Department. However, if the report's recommendations are implemented and a change to the travel process is created, based on trust and the assumption that every employee is a responsible, competent adult, the cultural changes required will create an efficient, cost effective mission enabler.

## **G. Industry Best Business Practices**

### **1. Overview**

The Travel Lab reviewed industry practices by looking at three large worldwide companies that process a volume of travel transactions which range from 1 to 10 times DOI volume. The companies that we reviewed were recommended by GAO as having the best of the best practices.

From reviewing these companies it appears that their processes can be broken down into two components, travel services and financial services. Within each component, improvements in the travel process and reduction of costs were attributed to three common themes:

- Consolidation of Travel Service providers
- Streamlining and Standardizing Travel Processes, and
- Automation and Integration

### **2. Travel Services**

Most reductions in direct travel costs come within the area of contracted travel services, industry discounts and negotiated pricing. Generally, industry has consolidated travel services into one or two travel management centers per company. This allows the company to collect data on spending patterns and then negotiate, on a volume basis, better rates for airline, rental cars, and hotels. This negotiation process replicates the services we receive from GSA. As one industry official stated, the government is already the best in the business, when it comes to negotiating rates; industry is envious

of the rates the Government is able to achieve.

The use of consolidated travel management centers also allows the companies to establish and enforce standardized travel policies contractually. Consolidated centers provide direct enforcement, which is more effective than trying to manage policies through many remote travel agent sites, and through reports from each site on usage and volumes. Companies indicated that reduced direct travel costs is achieved by standardizing and enforcing standardized company policies.

The use of consolidated travel centers does not hamper the service provided in ticket delivery. The companies reviewed each employ at least as many employees as DOI in various locations world wide. As one company explained, large travel service companies set up a network of subcontractors to deliver tickets to remote areas. Ticket delivery is a logistical problem that can be solved. None of the companies visited identified ticket delivery as a problem, though the review did not include discussions with remote office locations.

Automating and consolidating travel services provides for the integration of data related to travel. Companies view this as one of the major benefits in consolidating travel services and make negotiating rates more effective. Data integration is an area that each company was currently placing its efforts. Limited sources creates the possibility of capturing data, identifying spending habits, and identifying trends of travelers. Companies believe gathering this data will enable them to make further gains in reducing direct travel costs, by identifying where and how expenses are incurred.

### **3. Financial Services**

Before reinvention efforts, each company had many accounting and travel systems. Each locality or business unit had developed its own financial system over time. In each case, the companies consolidated their accounting processes into one system and provide services from one consolidated site. This reinvention and consolidation effort, which required several years to accomplish, resulted in significant overall reduction in administrative and overhead costs.

Through consolidating, the companies were able to simplify and standardize the travel process and then make further process improvements. One company official stated, you can process until you standardize it, because you don't that simplification and efficiency comes from the standardization of the core or routine process steps. Each company does provide for flexibility in traveler needs as determined by the programs; thus, avoiding the one size fits all syndrome.

Automation of the process, attitudes regarding management responsibility, and confidence in the traveler making the correct choice is where these companies do things differently. Each company is at a different stage of revamping their processes to automate expense claim filings. Client server based systems are now seen as a must. Automation is viewed as a method to make the traveler more productive (reducing administrative time in assisting the traveler file the claim) and to reduce reimbursement cycle times by providing internal system edits. Companies also view their automated

systems as a way to condition or teach travelers the corporate travel policies while at the same time enforcing the policies; e.g., having the system query certain expenses when the traveler inputs them.

Automation was also seen as a way to reduce costs associated with processing travel claims by eliminating data re-entry costs. Automation allows for the electronic auditing of claims against existing travel policies. It captures detailed data and provides information about spending patterns. In reviewing the companies, the issue of how to handle receipts is still one area that doesn't have a "best in the business" solution. Making receipts available for audit is still an awkward and costly issue, both in handling and storage, and can slow down the reimbursement cycle time. In each case, private industry does not process the travel reimbursement until after the supporting receipts have been received by the paying office.

#### **4. Other Common Practices**

In the review of private companies, many similar practices and policies were generally embraced by industry. The practices commonly adopted while simplifying the travel process, increasing customer service, or reducing travel costs are:

- Companies mandated the use of individually issued corporate Travel Charge Cards to maximize the rebates received
- Generally, companies expect travelers to place all expenses on these individually issued corporate Travel Charge Cards. This eliminates the need for the company to reconcile charges to expenses (the employees do the reconciliation to avoid paying erroneous charges) and this increases proper return of unused airline tickets for refund
- Companies mandated use of ATM advances and eliminated cash advances, except in most unusual of circumstances, and have eliminated the reconciliation and collection of outstanding travel advances
- Companies have simplified by eliminating written travel authorizations and significantly reducing or eliminating advance authorization approval. The need for travel is an issue between the supervisor and the employee, they have the first hand knowledge of the company and office mission. Employees traveling without the supervisor
- Companies automatically paid travelers within a day of receiving the electronic claim and the supporting receipts by mail. Payments were made to the traveler through electronic fund transfers to their checking accounts; through payroll checks; or by obtaining an ATM cash advance for the amount of the claim
- Travelers were generally offered and often encouraged to obtain any monies due by withdrawing this amount from ATM. This eliminated waiting for reimbursement. When this is the selected method of payment, the amount due the traveler is then sent directly to the charge card company to offset the withdrawn amount. Since this method results in a change in the total amount sent, not the issuance of an additional payment, there is no additional cost incurred by the company
- Private industry paid credit card companies directly on behalf of employees

## 5. Differences Identified from Federal Sector

Elements in travel practices that the private sector utilizes that are not in use by DOI:

Leading Organizations	Department of Interior
Eliminated formal written travel authorizations	FTR requires authorization and approval before travel. Generally accomplished by a trip authorization being prepared
Expense reporting is automated	Primarily a manual process, some bureaus use automated software, then print vouchers for approval and submission for payment
Consolidated travel processing centers	Each bureau (10) has its own travel payment processing center. Some bureaus have remote payment entry, use imprest fund or third party draft to expedite payment
Standardized travel process and simplified travel policies	Each bureau (10) follows the same FTR, however, have made different interpretations which created bureau travel policies
Mandated use of a corporate sponsored credit card for ALL travel expenses and cash advances	Encourage use but still provide agency issued travel advances. Travelers are allowed to use other credit cards, depriving government of rebate on purchases
Reduced the number of travel management centers providing services	DOI uses up to 140 local GSA contracted travel management centers
Statistically sample audit of vouchers after payment is made	Statistical sample audit of vouchers prior to payment. This increases payment cycle time

## 6. Industry Summary

The experiences and recommendations of industry from the travel managers consistently emphasized, to make the largest reduction in travel costs one needs to:

- Consolidate travel services
- Standardize the travel policies and procedures
- Consolidate the standard financial processes
- Automate the process, and
- Integrate and utilize the data relating to travel

Once the process is standardized, then you will be able to further simplify and streamline the process. Rates negotiated by GSA are considered the best in the industry, even the largest private industry customers cannot match the rates, company officials stated that the biggest bang for dollar that the Government could accomplish would be the consolidation and standardization of financial services.